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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91177036
Party	Plaintiff Nationstar Mortgage LLC
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Attachments	Opposer's Motion for Leave to Present Expert Testimony in Rebuttal Period.pdf (8 pages)(91734 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

Nationstar Mortgage, LLC,

Opposer,

v.

Mujahid Ahmad,

Applicant.

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Opposition No. 91177036

**OPPOSER'S MOTION FOR LEAVE TO
PRESENT EXPERT TESTIMONY IN REBUTTAL PERIOD**

Opposer respectfully moves the Board for leave to present the testimony of John Socknat, an expert in residential real estate and mortgage finance regulation, during Opposer's rebuttal period which opens on October 25, 2010. The substance of Mr. Socknat's testimony and related disclosures are set forth in the 26(a)(2) report appended hereto as Exhibit A.

Undersigned counsel certifies that he has conferred in good faith with Applicant's counsel, Patrick Rea, regarding Opposer's desire to introduce the testimony of Mr. Socknat, and has requested a stipulation by Applicant's counsel to that effect, but that Applicant's counsel has declined to provide such consent. For the reasons set forth below, an opportunity for Opposer to present the expert opinion of Mr. Socknat during Opposer's rebuttal is necessary to avoid prejudice to Opposer and a misuse of the Board's procedures.

I. Background

The opposed application, filed by Mr. Ahmad on April 20, 2006, seeks registration of "NATIONSTAR " in connection with "real estate real estate brokerage; rental of real estate; real estate management services, namely, management of commercial and residential properties; real

estate investment; residential and commercial property and insurance brokerage; mortgage brokerage; and business finance procurement services," claiming first use on April 4, 2005.

It is Opposer's position that Mr. Ahmad, at the time of his April 2006 application, had never made any commercial use of "NATIONSTAR," nor did he possess any good faith intent to use the mark. Instead, the evidence shows that the opposed application was motivated by letters that Applicant received from Opposer's counsel dated April 11 and April 18, 2006 (copies appended hereto as Exhibit B), offering to purchase the domain names NATIONSTARMORTGAGE.COM and NATIONSTARMORTGAGE.NET. It is undisputed that those domain names, at the time, were among multiple domain names owned by Mr. Ahmad, and that none of those domain names had ever been used by Mr. Ahmad in commerce at that time. *See* Stipulation dated October 19, 2010, copy appended hereto as Exhibit C.

In discovery, Applicant produced a compilation of home-made business cards and fliers that he claims to have distributed in 2005. Copies of those documents are appended hereto as Exhibit D. Applicant admitted in his deposition that he created these documents on his home computer (with the exception of the business cards which were printed at a local shop the name and location of which he could not recall), and that there is no evidence on his computer reflecting use of the "NATIONSTAR" name with the exception of these exact documents which just happen to be dated in 2005, even though he claims to have been using the name since 2005.

Upon the completion of discovery, Opposer placed Applicant on notice of Opposer's position that Applicant:

(1) never had any intention to use the name "NATIONSTAR" until he learned that Opposer was interested in acquiring his Internet domain names

NATIONSTARMORTGAGE.COM and NATIONSTARMORTGAGE.NET in April 2006, which he was "warehousing" and not using for any bona fide commercial purpose;

(2) thereupon rushed to file a service mark application at the U.S. Patent and Trademark Office (PTO) based on a fraudulent claim of first use in order to claim priority over Opposer and thereby coerce a ransom payment from Opposer which he subsequently attempted to do;

(3) "dummied up" the advertisements, fliers, postcards and business cards illustrated in Exhibit D, submitted them to the PTO, produced them in discovery to document his false claim of priority, was relying on them to show evidence of prior use; and

(4) committed a fraud on the PTO when he filed a service mark application attesting that he had used the name "NATIONSTAR" in commerce, punishable by fine and imprisonment of up to five years pursuant to 18 U.S.C. § 1001.

On January 31, 2008, Applicant filed a motion to amend the basis for the opposed application from "first use" under Section 1(a) of the Lanham Act, 15 U.S.C. § 1051(a), to "intent to use" Section 1(b), 15 U.S.C. § 1051(b). That motion was granted by the Board on June 17, 2008.

It is Opposer's position, and Applicant was so advised, that Applicant's January 31, 2008 amendment reflected Applicant's appreciation for the gravity of the fraud that he was committing, hence the retraction of his claim of first use. In his deposition, Applicant stated that he did not know why he had filed the amendment, and that his lawyer advised him to do so because it "wouldn't make any difference." Whatever Applicant's motivation for the switch, Opposer proceeded into the testimony period with the understanding that Applicant was relying on a good faith intent to use the mark rather than actual prior use.

In his deposition on June 9, 2010, however, Applicant reverted to his claim of first use and insisted that he had used "NATIONSTAR" in 2005 in the form of the advertisements and direct mail solicitations appended hereto as Exhibit D. By doing so, Applicant again placed the veracity of his documents and factual allegations regarding actual use into direct dispute.

II. Applicant's Testimony

In his deposition on June 9, 2010, Applicant testified that he has a bachelor's degree in civil engineering and a masters degree in computer information systems and technology, and that he worked with Lockheed Martin in the past but is now engaged as a real estate agent and mortgage broker. On cross examination it was revealed that his primary source of income is from driving a taxi.

While Applicant testified that he distributed direct mail advertisements, postcards, fliers and business cards to his actual and potential real estate customers in 2005, he admitted that his Virginia corporation, Nationstar Mortgage, Inc., which was incorporated on May 19, 2006, has done no business under the "NATIONSTAR," has no business records, never received any revenue, never rendered a single payment, never had a bank account, never filed a federal or state tax return, never paid any taxes in Arlington, and is not listed in the local telephone directory.¹

On June 8, 2010, Applicant presented the testimony of Abid Hussain. Hussain testified that he used Applicant as his real estate agent in March 2005 for the sale of a residence in Falls Church, VA. This transaction and others like it are documented in IRS Form 1099's revealing payments to Applicant by First American Real Estate, the brokerage firm with which he was

¹ Applicant testified that he did not list his company in the telephone directory because, in the "new" world, potential customers go to the Internet to shop for real estate services. He was unable to explain, however, why he waited until 2007 to post any content on his Nationstar website.

associated then and today. While there is no mention of "NATIONSTAR" anywhere in those documents, Applicant contends that every payment to him by First American Real Estate should be deemed as business conducted under the "NATIONSTAR" name.

On August 4 and September 22, 2010, Applicant presented the testimony of Zulfikhar Sharieff. Mr. Sharieff testified that he had employed the services of Mr. Ahmad as a real estate broker, and that he thought that he was doing business with Mr. Ahmad "as Nationstar," although there is no evidence that Mr. Ahmad used the name "NATIONSTAR" in that transaction, or any other transaction. On the contrary, all of the HUD-1 statements and other evidence in the record show that the only business ever conducted by Mr. Ahmad was in his capacity as a representative of First American Real Estate. Mr. Sharieff concluded his deposition with the statement that he did not know whether Mr. Ahmad had ever done business under the name "NATIONSTAR."

III. Argument

It is undisputed that the only documents ostensibly revealing Mr. Ahmad's usage of the "NATIONSTAR" name prior to 2007 were created on Applicant's computer. Applicant's testimony regarding such usage is so interspersed with fabrications and internal contradictions that a full reading of the cross-examination is necessary to appreciate the transparency of the fraud. Under the circumstances, however, Opposer is at an inherent disadvantage in "proving a negative."

Opposer has been prejudiced by Applicant's reversal of course during his testimony period and his reversion to a claim of prior use. Opposer went into the testimony period in reliance on the Board's order granting Applicant's motion to amend the basis of his application to rely on "intent to use" pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. § 1051(b). During the testimony period, Applicant attempted to turn the table on Opposer by reverting to his

original claim of first use. Under Fed.R.Civ.P. 15(b), Applicant thereby consented to a trial on the issue of his alleged first use.²

The Board has recognized that the presentation of testimony by an applicant may leave Opposer with a "difficult choice" that requires the designation of expert testimony by the Opposer after the close of the applicant's testimony period. *See Georgia-Pacific Corporation v. Solo Cup Co.*, 80 USPQ2d 1950 (2006). The PTO has stated:

The Office recognizes that there may be cases in which a party may not decide that it needs to present an expert witness at trial until after the deadline for expert disclosure. In such cases, disclosure must be made promptly when the expert is retained and a motion for leave to present testimony by the expert must be filed.

72 Fed.Reg. 42246 (Aug. 1, 2007)

Opposer has responded to the changed circumstances to the best of its ability by retaining and now proffering the testimony of Mr. Socknat as set forth in the report appended hereto as Exhibit A. Opposer engaged Mr. Socknat for this purpose within the last 30 days and promptly disclosed its intention to present Mr. Socknat's testimony in communications with Applicant's counsel. Opposer accordingly moves for leave to present the testimony of John Socknat, subject

² Implied consent to the trial of an unpleaded issue occurs where the nonoffering party (1) raised no objection to the introduction of the evidence on the issue, and (2) was fairly apprised that the evidence was being offered in support of the issue. *Morgan Creek Productions Inc. v. Foria International Inc.*, 91 USPQ2d 1134, 1138 (TTAB 2009); *H.D. Lee Co. v. Maidenform Inc.*, 87 USPQ2d 1715, 1720-1721 (TTAB 2008). The question of whether an issue was tried by consent is basically one of fairness. The non-moving party must be aware that the issue is being tried, and, therefore, there should be no doubt on this matter. *Morgan Creek Productions Inc. v. Foria International Inc.*, 91 USPQ2d at 1139. In this case, Applicant elected to try the issue of first use. *A fortiori*, Applicant consented to the trial of that issue.

to any additional time that may be necessary and appropriate to provide Applicant with an opportunity to take the discovery deposition of this witness.

Respectfully submitted,

NATIONSTAR MORTGAGE, LLC



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Exhibits

<u>Ex.</u>	<u>Description</u>
A	Report Of Opposer's Expert John Socknat Pursuant To Fed.R.Civ.P. 26(a)(2)
B	Letters From Opposer's Counsel to Applicant Dated April 11 and April 18, 2010
C	Stipulation Regarding Domain Names
D	Business Cards and Fliers Allegedly Distributed by Applicant in 2005

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on October 19, 2010, a copy of the foregoing
OPPOSER'S MOTION FOR LEAVE TO PRESENT EXPERT TESTIMONY IN REBUTTAL
PERIOD was sent by e-mail, and the following day by U.S. mail, first class postage prepaid, to
the following counsel of record for Applicant:

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